



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

May 15, 2008

Rock & Stone LLC  
924 West Hicken Court  
P.O. Box 538  
Heber City, Utah 84032-0538

Subject: Permit to Commence Small Mining Operations, Rock & Stone LLC, Strawberry River, S0130008, Duchesne County, Utah

Dear Mr. Read:

The Division finds your notice of intention (Notice) complete and approves the reclamation surety for the Strawberry River mine. You are now permitted to conduct small mining operations on 4 acres as outlined in the Notice provided you have written approval from any other appropriate agency.

Please keep in mind the following regulatory requirements.

- The Division must be notified no later than 30 days after beginning mining operations.
- Mining disturbance is only allowed in the area identified in the Notice and Reclamation Contract.
- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material are worth saving to aid in later revegetation efforts, and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office and State History of your find.
- Permit fees are due July 30.
- Annual reports are due by December 31st.
- The reclamation surety will be reviewed every 3 years.
- The Division request that the disturbed area boundary (including assess/haul roads) be marked with metal T-posts to identify the area permitted for mining.

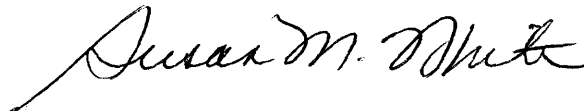
No variance to the operation and reclamation practices was requested.



Page 2 of 2  
Strawberry River  
S/013/0008  
May 15, 2008

The Division's web page at <http://ogm.utah.gov/> under the Mining Program has a link to the rules you are expected to operate under and other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number S0130008. If you have questions or concerns regarding this letter, please contact me at (801) 538-5258 or Leslie at (801) 538-5257. Best wishes with your mining venture.

Sincerely,



Susan M. White  
Mine Program Coordinator  
Minerals Regulatory Program

SMW:lah:pb  
Task ID# 2297  
Attachment: Approved SMO Notice  
Enclosure: Copy of RC & surety forms  
cc: [mhyde@co.duchesne.ut.us](mailto:mhyde@co.duchesne.ut.us)  
P:\GROUPS\MINERALS\WP\M013-Duchesne\S0130008-Strawberry\Final\apvl-SMO-NOI&surety\_S0130008\_05-19-08.doc

This Section for DOGM Use:  
Assigned DOGM File No.: S \_\_\_\_\_  
DOGM Lead: \_\_\_\_\_  
Permit Fee \$ \_\_\_\_\_ Ck # \_\_\_\_\_

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
**DIVISION OF OIL, GAS AND MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291 Fax: (801) 359-3940

**NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS**

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" mining operations which have a disturbed area of five or less surface acres at any time.

\*\*\*\*\*

**I. GENERAL INFORMATION (Rule R647-3-104)**

1. Name of Mine: Strawberry River

2. Legal name of entity (or individual) for whom the permit is being requested: \_\_\_\_\_

Rock & Stone LLC

Mailing Address: P.O. Box 1947

City, State, Zip: Park City, UT 84060

Phone: 435-671-0657 Fax: 435-657-2746 or 435-

E-mail Address: parkcitynails@msn.com 649-

cliffread@dishmail.net 9720

Type of Business: Corporation ( ) LLC (X) Sole Proprietorship (dba) ( )

Partnership ( ) General \_\_\_\_\_ or \_\_\_\_\_ limited

Or:

Individual ( )

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) [www.commerce.utah.gov](http://www.commerce.utah.gov).

Are you currently registered to do business in the State of Utah? ☒ Yes ☐ No

Entity # 2007551-0160

If no, contact [www.commerce.utah.gov](http://www.commerce.utah.gov) to renew or apply.

**APPROVED**

Local Business License # \_\_\_\_\_ (if required)

Issued by: County \_\_\_\_\_ or City \_\_\_\_\_

**MAY 12 2008**

DIV. OIL GAS & MINING

**RECEIVED**

**JUN 27 2007**

DIV. OF OIL GAS & MINING

**APPROVED**

**JUL 05 2007**

DIV. OIL GAS & MINING

3. **Contact Person(s)**  
Name: Cliff Read Title: Manager  
Address: Box 1947  
City, State, Zip: Park City, UT 84060  
Phone: 435-640-3750 Fax: 435-649-9720  
Emergency, Weekend, or Holiday Phone: \_\_\_\_\_  
E-mail Address: parkcitynails@msn.com

Contact person to be notified for: permitting ☒ surety ☒ Notices ☒ (please check all that apply)

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Emergency, Weekend, or Holiday Phone: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

Contact person to be notified for: permitting ( ) surety ( ) Notices ( ) (please check all that apply)

Registered Utah Agent (as identified with the Utah Department of Commerce) (if individual leave blank):

Name: R.P.R. Supply LLC  
Address: 550 Deer Valley Loop, Box 1947  
City, State, Zip: Park City, UT 84060  
Phone: 435-640-3750 Fax: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

4. **If Business is a: Sole Proprietor:**

**Sole Proprietor:**  
Name of Owner: \_\_\_\_\_ Title: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

**If Business is a Corporation:**

**Name of Officers:** \_\_\_\_\_ Title: \_\_\_\_\_  
\_\_\_\_\_ Title: \_\_\_\_\_  
\_\_\_\_\_ Title: \_\_\_\_\_  
\_\_\_\_\_ Title: \_\_\_\_\_  
Headquarters Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Headquarters Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

**If Business is a Limited Liability Company: Member Managed ■ Manager Managed ■**

Name of 1<sup>st</sup> Member/Manager: R.P.R. Supply LLC Title: Manager  
Business Address: 550 Deer Valley Loop, Box 1947  
City, State, Zip: Park City, UT 84060  
Phone: 435-640-3750 Fax: 435-649-9720  
E-mail Address: parkcitynails@msn.com

APPROVED

APPROVED

JUL 05 2007

MAY 12 2008

Name of 2<sup>nd</sup> Member/Manager: Pinnacle Stone, LLC  
Business Address: 924 W. Hicken Court  
City, State, Zip: Park City, UT 84060 Heber City, UT  
Phone: 435-671-0657 Fax: 435-657-2746 84032  
E-mail Address: parkcityaails@msn.com

**If Business is a Partnership:**

Name of Partner: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

**5. Ownership of Land Surface:**

Private (Fee) ☐ Public Domain (BLM) ☐ National Forest (USFS) ☐  
State Trust Land/School Sections ☐ State Sovereign Lands ☐

Other (please describe): \_\_\_\_\_  
Name \_\_\_\_\_ Address \_\_\_\_\_  
Name \_\_\_\_\_ Address \_\_\_\_\_  
Name \_\_\_\_\_ Address \_\_\_\_\_  
Name \_\_\_\_\_ Address \_\_\_\_\_

**6. Ownership of Minerals:**

Private (Fee) ☐ Public Domain (BLM) ☐ National Forest (USFS) ☐  
State Trust Land/School Sections ☐ State Sovereign Lands ☐  
Other (please describe): \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_  
Name \_\_\_\_\_ Address \_\_\_\_\_  
Name \_\_\_\_\_ Address \_\_\_\_\_  
Name \_\_\_\_\_ Address \_\_\_\_\_

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): \_\_\_\_\_

BLM Claim Numbers \_\_\_\_\_

Utah State Lease Number(s): \_\_\_\_\_

Name of Lessee(s) \_\_\_\_\_

**7. Have the above surface and mineral owners been notified in writing?**

Yes \_\_\_\_\_ No \_\_\_\_\_

If no, why not? \_\_\_\_\_

**APPROVED**

**APPROVED**

**MAY 12 2008**

**JUL 05 2007**

**DIV. OIL GAS & MINING**

**DIV. OIL GAS & MINING**

Form MR-SMO

Page 2

**If Partnership or Individual:****Name of 1<sup>st</sup> owner / partner:** \_\_\_\_\_**Address:** \_\_\_\_\_**City, State, Zip:** \_\_\_\_\_**Phone:** \_\_\_\_\_**Fax:** \_\_\_\_\_**E-mail Address:** \_\_\_\_\_**Name of 2<sup>nd</sup> owner / Partner:** \_\_\_\_\_**Address:** \_\_\_\_\_**City, State, Zip:** \_\_\_\_\_**Phone:** \_\_\_\_\_**Fax:** \_\_\_\_\_**E-mail Address:** \_\_\_\_\_**If Corporation or Limited Liability Entity:****Name of Officers:** \_\_\_\_\_**Title:** \_\_\_\_\_**Title:** \_\_\_\_\_**Title:** \_\_\_\_\_**Title:** \_\_\_\_\_**4. Permittee / Operator Representative (if different from #3):****Name:** \_\_\_\_\_**Address:** \_\_\_\_\_**City, State, Zip:** \_\_\_\_\_**Phone:** \_\_\_\_\_**Fax:** \_\_\_\_\_**E-mail Address:** \_\_\_\_\_**5. Ownership of Land Surface:**

Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐  
State Trust Land/School Sections ☐ State Sovereign Lands ☐  
Other (please describe): \_\_\_\_\_

**Name** BOB PENDER**Address** PARK CITY, UT**Name** \_\_\_\_\_**Address** \_\_\_\_\_**Name** \_\_\_\_\_**Address** \_\_\_\_\_**Name** \_\_\_\_\_**Address** \_\_\_\_\_**6. Ownership of Minerals:**

Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐  
State Trust Land/School Sections ☐ State Sovereign Lands ☐  
Other (please describe): \_\_\_\_\_

**Name** BOB PENDER**Address** PARK CITY, UT**Name** \_\_\_\_\_**Address** \_\_\_\_\_**Name** \_\_\_\_\_**Address** \_\_\_\_\_**Name** \_\_\_\_\_**Address** \_\_\_\_\_*Supervised*

APPROVED

MAY 12 2008

DIV. OIL GAS &amp; MINING

Form MR-SMO

Page 3

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): \_\_\_\_\_

Utah State Lease Number(s): \_\_\_\_\_

Name of Lessee(s): \_\_\_\_\_

7. Have the above surface and mineral owners been notified in writing?  
Yes X No \_\_\_\_\_

If no, why not? \_\_\_\_\_

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

8. Does the Permittee / Operator have legal right to enter and conduct mining operations on the land covered by this notice? Yes X No \_\_\_\_\_

II. **PROJECT LOCATION & MAP** (Rule R647-3-105)

1. **Project Location** (legal description):

County(ies): \_\_\_\_\_

NE 1/4, of 24 1/4, of \_\_\_\_\_ 1/4: Section: 16 Township: 45 Range: 7 WEST USM  
SW 1/4, of SW 1/4, of NE 1/4: Section: \_\_\_\_\_ Township: \_\_\_\_\_ Range: \_\_\_\_\_  
\_\_\_\_\_ 1/4, of NW 1/4, of SE 1/4: Section: \_\_\_\_\_ Township: \_\_\_\_\_ Range: \_\_\_\_\_

UTM East \_\_\_\_\_ (if known) UTM North \_\_\_\_\_ (if known)

Name of Quad Map for Location: \_\_\_\_\_

2. An accurate topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.
3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) should be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

APPROVED

MAY 12 2008

DIV. OIL GAS & MINING

Form MR-SMO

Page 4

III. **OPERATION PLAN** (Rule R647-3-106)

1. Type of mining: Surface ☒ Underground ☐
2. Mineral(s) to be mined: STONE
3. Amount of material to be extracted, moved or proposed to be moved: 2000 TON
4. Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?  
Yes ☐ No ☒ If yes, please describe (add extra pages if needed)  
\_\_\_\_\_  
\_\_\_\_\_
5. Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). OVERBURDEN REMOVED BACK TO REVEAL STONE. STONE REMOVED AND SPILT DOWN AND STACKED.  
\_\_\_\_\_  
\_\_\_\_\_
6. ☐ New Road(s): Length \_\_\_\_\_ (ft) Width \_\_\_\_\_ (ft)
7. ☐ Improved Road(s): Length \_\_\_\_\_ (ft) Width \_\_\_\_\_ (ft)
8. Total project surface acreage to be disturbed: 2.5 (acres) PLEASE SPECIFY EXACT ACREAGE - (this will be used to determine surety bond amount - see #VI).
9. Proposed startup date of project (month, year) \_\_\_\_\_
10. Proposed completion date of project, if known (month, year) \_\_\_\_\_

IV. **OPERATION AND RECLAMATION PRACTICES** (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. Keep the mining operation in a safe, clean, and environmentally stable condition.
2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
6. Remove all waste or debris from stream channels.

Check if applicable:

- ☐ Reclamation surety is already posted with another regulatory agency (copy must be included as proof);  
\$ \_\_\_\_\_ (amount) \_\_\_\_\_ (Agency name)

APPROVED

MAY 12 2008

DIV. OIL GAS &amp; MINING



Form MR-SMD

Page 5

7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.
10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
13. Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

V. **VARIANCE REQUEST (Rule R647-3-110)**

Any variance request must be approved in writing by the Division

Yes ☐ No ☐

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

Item Number      Variance Request Justification

|  |  |
|--|--|
|  |  |
|  |  |
|  |  |

VI. **SURETY (Act 40-8-7(1)(c))**

The surety must be provided to and approved by the Division prior to commencement of operations.

The Utah Mined Land Reclamation Act (40-8-7 (1)(c) and 40-8-14 provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed according to approved notices consistent with on-site conditions. The surety amount is based on the nature, extent and duration of operations. These amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions.

\$5,000 for the 1<sup>st</sup> acre; and  
\$3,000 for each additional acre.

Acceptable forms of surety may include: certificates of deposit, letters of credit, surety bonds & cash. Please identify which type of surety you will post so we can provide you with the appropriate forms.

☐ Certificate of Deposit      ☐ Letter of Credit      ☐ Surety Bond      ☐ Cash  
☐ Other \_\_\_\_\_ (please identify)

(please be advised that the State Treasurer's office may require additional monies to administer cash sureties).

Check if applicable:

☐ Reclamation surety is already posted with another regulatory agency (copy must be included as proof):  
\$ \_\_\_\_\_ (amount) \_\_\_\_\_ (Agency name)

APPROVED

MAY 12 2008

DIV. OIL GAS & MINING

Form MR-SMO

Page 6

**VII. PERMIT FEE (Mined Land Reclamation Act 40-8-7(1)(i))**

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

**Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.**

**NOTICE:** The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

Name: SHANNON PEATROSS  
Address: 724 W. HICKEN COURT  
City, State, Zip: HEBERT CITY UT 84032  
Phone: 435-671-0657 Fax: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

**VIII. SIGNATURE REQUIREMENT**

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

(Please check the box and place your initials on the line provided)

- SKP ☒ I have enclosed the required permit fee.  
\_\_\_\_\_ ☐ I have also enclosed the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.  
\_\_\_\_\_ ☐ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

(Note: If a company or corporation, this form must be signed by the owner or officer who is authorized to bind the company/corporation to this Notice.)

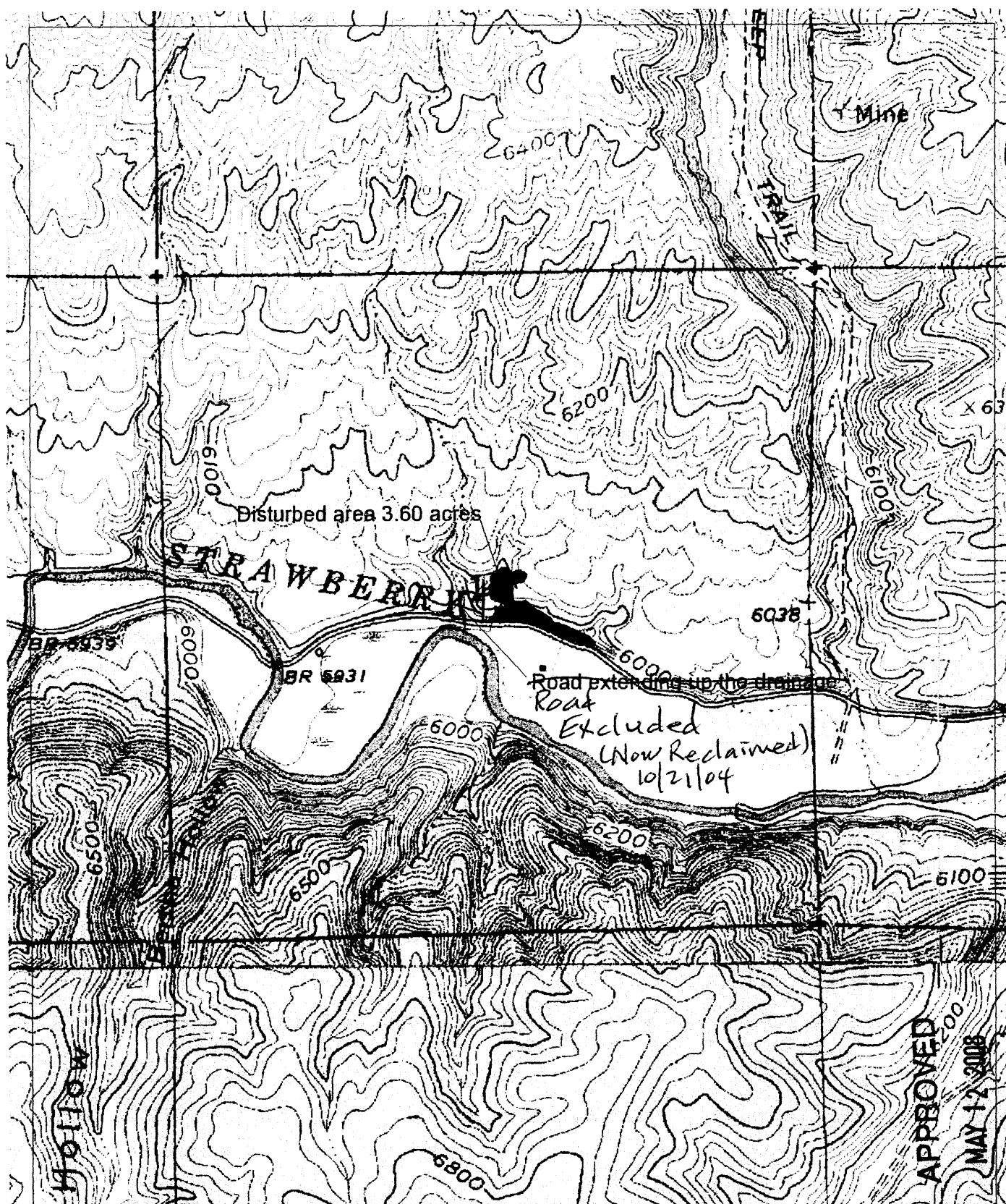
Signature of Permittee/ Operator/ Applicant: [Signature]  
Name (typed or printed): SHANNON PEATROSS  
Title/Position (if applicable): OWNER  
Date: 9/24/04

O:\FORMS\notices\mr-smo-06262004.doc

APPROVED

MAY 12 2008

DIV. OIL GAS & MINING



DIV. OIL GAS & MINING

APPROVED

MAY 12 2008



Dept. of Natural Resources  
Division of Oil, Gas & Mining  
Mineral Mines Program

Different data sources and input scales  
may cause misalignment of data layers.  
This product may not meet DOGM  
standards for accuracy and content.

300 0 300 600 Feet



Contour Interval: 20 feet for Strawberry Pinnacles  
Quad, 40 feet for Sam's Canyon Quad



Mine Number: S/013/008  
Mine Name: Strawberry River  
Township 4 S Range 7 W Section 16 USM  
Strawberry Pinnacles (north) and  
Sam's Canyon (south) Quads

Drafted by Paul Baker March 31, 2004

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MININGMODIFICATION OF ATTACHMENT A  
TO THE  
RECLAMATION CONTRACT☒ APPROVEDName of Operator: Rock & Stone LLCPermit Number: S/013/0008Mine Name: Strawberry RiverPhone Number: (435) 640-3750

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

- Surety: ☐ Decrease  
☐ Increase  
☒ Replacement
- Reason: ☐ Amendment to NOI  
☐ Cancellation/ Termination of surety  
☐ Escalation  
☐ Partial Release of surety  
☒ Other  
Explain: Replacement CD

Surety Dollar Amount Associated With This Action: \$17,000.00Surety Aggregate Amount: \$17,000.00**Included in this modification (surety must be attached)**

Instrument(s):

- |   |   |
|---|---|
| <input type="checkbox"/> Corporate Surety                     | <input type="checkbox"/> Rider            |
| <input type="checkbox"/> LOC Letter of Credit                 | <input type="checkbox"/> Amendment        |
| <input checked="" type="checkbox"/> CD Certificate of deposit | <input type="checkbox"/> Addendum         |
| <input type="checkbox"/> Cash                                 | <input checked="" type="checkbox"/> Other |

Explain: New Replacement CD #0983911579

RECEIVED

APR 30 2008

DIV. OF OIL, GAS &amp; MINING

Other surety not affected by this modification will remain part of Attachment A and labeled as such.

This Modification will be effective as of the last date signed below

Cliff Read CLIFF READ MANAGER  
Authorized Officer Signature Printed Title

3-20-08  
Date

John R. Baza  
Division Director John R. Baza  
Utah Division of Oil, Gas and Mining

5/8/08  
Date

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

---ooOoo---

**SMALL MINE RECLAMATION CONTRACT**

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Rock & Stone, LLC the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/013/008 which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:

- A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

☒ APPROVED

workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
5. If the Surety expressly provides for cancellation or termination for non-renewal:
- A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
  - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety.

☒ APPROVED

for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

☒ APPROVED

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

☒ APPROVED



The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

Rock & Stone LLC

Operator Name

By CLIFF READ MNG.

Authorized Officer (Typed or Printed)

Authorized Officer - Position

[Signature]

Officer's Signature

6-27-07

Date

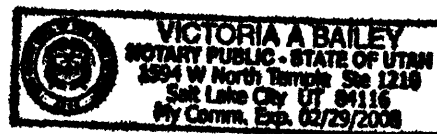
STATE OF Utah

COUNTY OF Salt Lake ) ss:

On the 27<sup>th</sup> day of June, 2007, Cliff Read personally appeared before me, who being by me duly sworn did say that he/she is an Officer (owner, officer, director, partner, agent or other (specify)) of the Operator Rock & Stone, LLC and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

[Signature: Victoria A. Bailey]  
Notary Public  
Residing at Salt Lake City, UT

February 29, 2008  
My Commission Expires.



☒ APPROVED

DIVISION OF OIL, GAS AND MINING:

By John R. Baza  
John R. Baza, Director

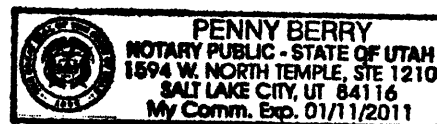
7/16/07  
Date

STATE OF Utah)  
COUNTY OF Salt Lake) ss:

On the 16 day of July, 2007, John R. Baza  
personally appeared before me, who being duly sworn did say that he, the said  
John R. Baza is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.

Penny Berry  
Notary Public  
Residing at: Salt Lake

1/11/2011  
My Commission Expires:



## **FACT SHEET**

**Commodity:** Building Stone

**Mine Name:** Strawberry River

**County:** Duchesne

**Disturbed Acres:** 4 (four)

**Operator Name:** Rock & Stone, LLC

**Operator address:** PO BOX 1947 PARK CITY UT 84060

**Operator telephone:** (435) 640-3750 (CELL)

**Operator fax:** (435) 649-9720

**Operator email:** parkcitynails@msn.com

**Contact:** Cliff Read

**Surety Type:** LOC

**Held by (Bank/BLM):** Zions Bank

**Surety Amount:** \$17,000

**Surety Account Number:** ZSB801957

**UTU and/or ML number:** n/a

**Escalation Year:** 2010

**Tax ID or Social Security (for cash only):** n/a

April 17, 2008

RECEIVED  
APR 18 2008  
DIV. OF OIL, GAS & MINING

State of Utah, Division of Oil, Gas, and Mining  
1594 West North Temple  
Salt Lake City, Utah 84112



Attn: Mr. Jed Pearson – (801) 538-5382 or [jedpearson@utah.gov](mailto:jedpearson@utah.gov)

This letter acknowledges a certificate of deposit as Reclamation Surety by Zions Bank from the Division of Oil, Gas, and Mining (OGM). The bank agrees to the terms and instructions of the CD Letter Agreement. An administrative hold has been placed on the account in the amount identified below until such time redemption or release authorization is provided by the Division in accordance with the instructions per the CD Letter Agreement.

Mine Site: Strawberry River, # S/013/008  
Account Name: Rock & Stone, LLC  
Account Number: 0983911579  
Principal Amount: \$17,000.00  
Original Acknowledgement: 04/27/2007

☒ APPROVED

Sincerely,

Tony Steadman  
Vice President  
Commercial Relationship Manager  
Zions Bank

ZIONS BANK®

*Zions Park City Bank*

PH: 435 647 0042

1100 Snow Creek

Park City

Utah, 84060

ZIONS BANK  
1100 Snow Creek Dr.  
P.O. Box 3899  
Park City, Utah 84060  
(435)647-0041

April 17, 2008

RECEIVED  
APR 18 2008  
DIV. OF OIL, GAS & MINING



Attention: Tony Steadman, Commercial Relationship Manager  
(435)658-6570 [Anthony.Steadman@zionsbank.com](mailto:Anthony.Steadman@zionsbank.com)

☒ APPROVED

Subject: Reclamation Surety, Certificate of Deposit for Rock & Stone, LLC, Strawberry Mine Site, S/013/008, Duchesne County, Utah

Certificate of Deposit # 0983911579, Principal Amount \$17,000.00

This letter describes the mutually agreed upon instructions of the below signed parties to Zions Bank, regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Strawberry River mine site, Duchesne County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$17,000.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas, & Mining upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

**Ownership and Renewal:**

Ownership of the CD is retained by Rock & Stone, a LLC corporation, but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas, & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by L. Clifton Read, Jr. for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

ZIONS BANK\*

*Zions Park City Bank*

PH: 435 647 0042

1100 Snow Creek

Park City

Utah, 84060

**Redemption:**

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas, & Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owner's control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may transfer the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

**Accrued Interest:**

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$17,000.00. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

**Bank will not be held liable for any dispute between the parties.**

☒ APPROVED

ZIONS BANK\*

*Zions Park City Bank*

PH: 435 647 0042

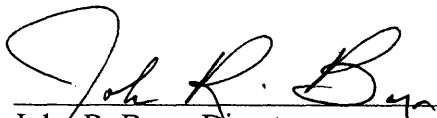
1100 Snow Creek

Park City

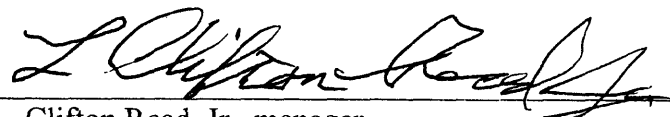
Utah, 84060

Agreed Upon By:

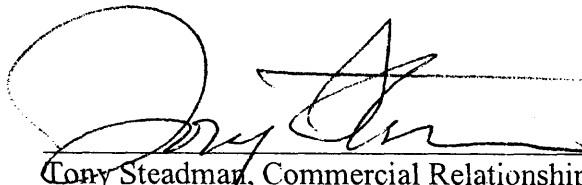


  
John R. Baza, Director  
Utah Division of Oil, Gas, & Mining

Date: 5/8/08

  
L. Clifton Read, Jr., manager  
Rock & Stone, LLC.  
20-8924307

Date: 4-17-08

  
Tony Steadman, Commercial Relationship Manager  
Zions Bank

Date: 4-17-08

☒ APPROVED

ZIONS BANK®

*Zions Park City Bank*

PH: 435 647 0042

1100 Snow Creek

Park City

Utah, 84060